

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2271 - SB 2272**

April 1, 2009

**SUMMARY OF BILL:** Extends the expiration date of the nursing home bed tax from June 30, 2009 to June 30, 2011. Deletes the Commissioner of Health's authority to deduct the amount due from a forthcoming Medicaid payment and lock the facility into automatic deductions when a facility becomes more than 30 days delinquent.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Other Fiscal Impact – Prevent the loss of \$84,900,000 in State Revenue**

**Revenue recognition of \$84,900,000 is included in the Governor's FY09-10 Recommended Budget**

Assumptions:

- Any increase or decrease in nursing home beds for the second year will lead to a corresponding increase or decrease in the amount collected.
- The actual FY07-08 collection of the nursing home tax was \$84,878,314.
- According to the Department of Health, there are 23 nursing homes whose monthly bed tax is deducted from the monthly Medicaid payments due to the nursing home. Any cost incurred for changes to processing procedures can be accommodated within existing resources without an increased appropriation or reduced reversion.

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**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/kml